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## **CERRADO GOLD CLOSES THE ACQUISITION OF MINERA MARIANA ARGENTINA S.A.**

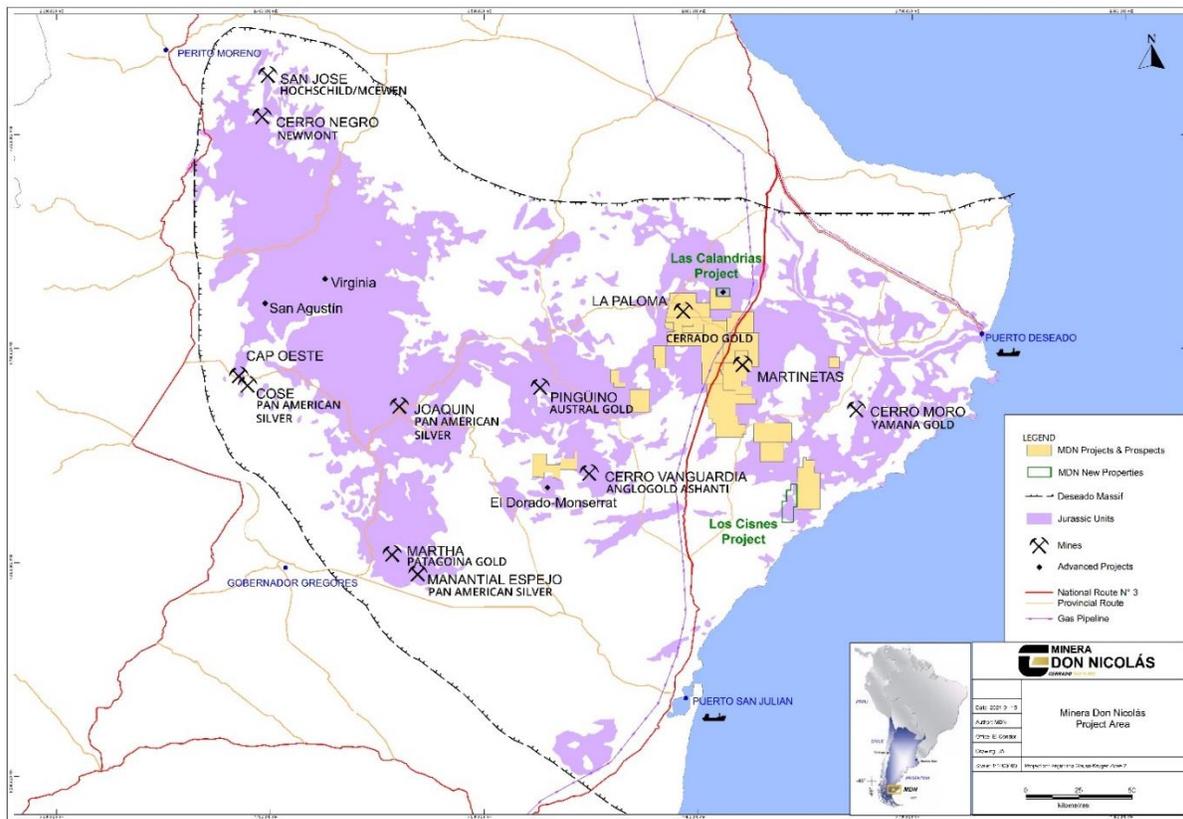
- **Acquisition adds Las Calandrias project with 379,000 ounces of gold and 6 million ounces of silver (Indicated) and 42,000 ounces of gold and 401,000 ounces of silver (Inferred) directly adjacent to MDN's Escondido Deposit on its northern border.**

**TORONTO, ONTARIO – CERRADO GOLD** ("Cerrado" or the "Company") is pleased to announce that further to its press release dated October 28, 2020, it has completed the Share Purchase Agreement with Capella Minerals Ltd. to acquire 100% of its Argentine subsidiary Minera Mariana Argentina S.A ("Minera Mariana") (the "Transaction").

The principal assets owned by Minera Mariana include the Las Calandrias and Los Cisnes projects (together the "Projects"). The Projects are located in the Santa Cruz province of Argentina. In total, the Projects consist of approximately 60,400 ha with the bulk of the land holdings on the property adjacent to Cerrado's Minera Don Nicolas ("MDN") gold mine property.

Mark Brennan, CEO & Co-Chairman commented: *"We are pleased to have closed the transaction with Capella Minerals; we wish Capella tremendous success. The additional Mineral Resources are expected to expand our production base by providing additional feed to the Don Nicolas mill and also support our evaluation of the potential to build a heap leach facility to process lower grade material located at the north of our property. We plan to complete ongoing studies and review the economic potential to increase gold and silver production by heap leach in the near term."*

As outlined in the press release issued October 28, 2020, under the terms of the agreement Cerrado will pay a purchase price of CAD\$ 2,250,000 payable by the issuance of 1,125,000 shares of Cerrado to Capella Minerals Ltd assuming a share price of C\$2.00/sh. The final shares issued are subject to potential future adjustments depending on Cerrado's share price upon closing of its current go public funding.



As previously outlined, the most advanced project at this time at Minera Mariana is the Las Calandrias gold and silver project, which borders the northern boundary of Cerrado’s MDN property. The main focus of work to date on the Projects has been on the Calandria Sur and Calandria Norte deposits. These deposits are characterized as low to intermediate sulphidation, epithermal-precious-metal quartz vein and vein-breccia types.

In 2018, Capella Minerals completed a National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“NI 43-101”) compliant Technical Report and Mineral Resource Estimate by AGP Mining Consultants Inc. (AGP), titled “Las Calandrias Project Technical Report and Resource Estimate Santa Cruz Province, Argentina” (the “Capella Mineral Resource Estimate”). The effective date for the Mineral Resource Estimate is September 14, 2018 and is reproduced below (see Tables 1, 2, & 3). To the best of Cerrado’s knowledge, information, and belief, there is no new material scientific or technical information that would make the disclosure of the mineral resources, in the Mineral Resource Estimate inaccurate or misleading. However, Cerrado has not completed its own technical report on this project and therefore treats the Capella Mineral Resource Estimate as “historical” until Cerrado has done sufficient work to support it. References may be made in this section to historic Mineral Resource estimates. None of these are NI 43-101 compliant as related to Cerrado and a qualified person has not done sufficient work to classify these historic estimates as a current Mineral Resource. They should not be relied upon and Cerrado does not treat them as current Mineral Resources

**Table 1: Mineral Resources for the Las Calandrias Sur Deposit within constraining shell (14 September 2018)**

| Classification | Cut-off Grade (gpt Au)                           | Tonnage ('000 t) | Metal Grades |          | Contained Metal |           |
|----------------|--------------------------------------------------|------------------|--------------|----------|-----------------|-----------|
|                |                                                  |                  | Au (gpt)     | Ag (gpt) | Au (oz.)        | Ag (oz.)  |
| Indicated      | 0.3 (oxide)<br>0.4 (transition)<br>0.8 (primary) | 7,424            | 1.33         | 24.65    | 318,000         | 5,884,000 |
| Inferred       | 0.3 (oxide)<br>0.4 (transition)<br>0.8 (primary) | 1,739            | 0.73         | 7.17     | 41,000          | 401,000   |

Notes:

Summation errors may occur due to rounding;

Mineral Resources are reported within an optimized constraining shell;

Block matrix is 6m x 6m x 5m (length x width x height);

Grades are estimated by ID3 interpolation;

Density was interpolated by ID2. Blocks not populated by ID2 were assigned the mean density 2.21;

Cut-off grade of varies by oxide zone (0.3 gpt Au oxide; 0.4 gpt Au transition; and 0.8 gpt Au primary zones);

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

**Table 2: Mineral Resources for the Las Calandrias Norte Deposit within the constraining shell, at a 0.8 gpt Au (14 September 2018)**

| Classification | Cut-off Grade (gpt Au) | Tonnage ('000 t) | Metal Grades |          | Contained Metal |          |
|----------------|------------------------|------------------|--------------|----------|-----------------|----------|
|                |                        |                  | Au (gpt)     | Ag (gpt) | Au (oz.)        | Ag (oz.) |
| Indicated      | 0.8                    | 604              | 3.12         | 8.20     | 61,000          | 159,000  |
| Inferred       | 0.8                    | 19               | 1.31         | 0.69     | 1,000           | 400      |

Notes:

Summation errors may occur due to rounding;

Mineral Resources are reported within an optimized constraining shell;

Block matrix is 5m x 3m x 5m (length x width x height);

Grades are estimated by ID3 interpolation;

Density was assigned the mean density 2.41;

Cut-off grade of used for reporting Mineral Resources is 0.8 gpt Au;

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

**Table 3: Mineral Resources for the Las Calandrias Norte Deposit below the constraining shell at a 1.5 gpt Au cut-off grade (14 September 2018)**

| Classification | Cut-off Grade (gpt Au) | Tonnage ('000 t) | Metal Grades |          | Contained Metal |          |
|----------------|------------------------|------------------|--------------|----------|-----------------|----------|
|                |                        |                  | Au (gpt)     | Ag (gpt) | Au (oz.)        | Ag (oz.) |
| Indicated      | 1.5                    | 131              | 2.82         | 6.30     | 12,000          | 27,000   |
| Inferred       | 1.5                    | 2                | 1.71         | 2.01     | 100             | 100      |

Notes:

Summation errors may occur due to rounding;

Mineral Resources are reported below the optimized constraining shell;

Block matrix is 5m x 3m x 5m (length x width x height);

Grades are estimated by ID3 interpolation;

Density was assigned the mean density 2.41;

Cut-off grade of used for reporting Mineral Resources is 1.5 gpt Au;

Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Mariana Mineral's Los Cisnes Project is located to the south of the MDN mine in close proximity to MDNs Spark target and is approximately 75km SW of Yamana Gold's high-grade Cerro Moro Au-Ag mine and along strike from Yamana's recent Natty discovery. High-grade silver-gold values were first identified from previous work (channel sampling and diamond drilling) on the Brio vein/breccia system. Brio is a quartz-sulfide vein/breccia system which strikes ENE, can be traced on surface for approximately 2.3km, and is up to 3m wide. Recent exploration activities performed by Capella have resulted in the definition of two new high-grade Au-Ag vein zones (Bagual and Potranca), which lie immediately to the southwest of the high-grade Brio structure (see Capella (New Dimension) News Releases dated March 4 and March 25, 2019).

Initial surface sampling performed by Capella had returned local 'hand lens' visible gold, with gold-silver assays ranging from geochemically anomalous to high-grade and a best selected grab sample of 109 g/t Au & 1,031 g/t Ag. Trenching has resulted in the successful definition of high-grade gold-silver mineralisation in both Trench 1 (37.5 g/t Au + 6 g/t Ag over 1.0 m and 9.7 g/t Au + 8 g/t Ag over 0.6m) and Trench 3 (15.7 g/t Au + 4 g/t Ag over 0.6m), with Trench 3 being located approximately 210 m along the interpreted strike direction from Trench 1. The gold-silver mineralisation identified in all trenches is associated with strongly-oxidized quartz-sulfide(-Fe-oxide)-bearing stockworks and vein/breccia zones.

For further information please contact

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**Review of Technical Information**

The scientific and technical information in this press release has been reviewed and approved by Paul Daigle, P.Geo and Associate Senior Geologist with AGP for the Las Calandrias Mineral Resources and by Robert Campbell, P.Geo., Vice President, Exploration and Director for Cerrado Gold Inc., who are Qualified Persons as defined in NI 43-101.

**About Cerrado Gold**

Cerrado Gold is a private gold production and exploration company with gold production derived from its 100% owned Minera Don Nicolas mine in Santa Cruz province, Argentina. The company is also undertaking exploration at its 100% owned Monte Do Carmo project located in Tocantins, Brazil. For more information about Cerrado Gold please visit our website at [www.ceradogold.com](http://www.ceradogold.com)